

No.: 98-39

Date: August 6, 1998

FEDERAL HOUSING FINANCE BOARD

Waiver of Affordable Housing Program (AHP)
Long-Term Retention and Monitoring Requirements

WHEREAS, Subsection 10(j) of the Federal Home Loan Bank Act (12 U.S.C. § 1430(j)) requires that each Federal Home Loan Bank (FHLBank) establish an Affordable Housing Program (AHP);

WHEREAS, the Federal Housing Finance Board (Finance Board) has adopted regulations for the operation of the AHP by the FHLBanks codified at 12 C.F.R. Part 960;

WHEREAS, between [redacted] and [redacted] the FHLBank of [redacted] entered into retention and monitoring agreements of 10-years or less with members receiving AHP subsidies on behalf of rental projects;

WHEREAS, in scoring projects for long-term retention under the AHP scoring process, the FHLBank awarded points to the projects for committing to long-term retention periods greater than 10 years;

WHEREAS, under the AHP regulation in effect between [redacted], the retention period reflected in the FHLBank's approved AHP project retention and monitoring agreements should have matched the retention periods upon which the projects were scored;

WHEREAS, the revised AHP regulation would subject existing AHP projects with 10-year monitoring or retention agreements to the new 15-year retention and monitoring requirements, absent a waiver;

WHEREAS, the FHLBank has requested that the Finance Board approve a waiver to permit [redacted] stockholder institutions that applied for and received AHP subsidies in connection with rental projects predating [redacted] to continue monitoring such projects in accordance with the terms and conditions of their respective AHP commitment agreements; and

WHEREAS, there would be a significant administrative burden to rescore or modify the many pre-[redacted] FHLBank AHP projects with relative small subsidy amounts that are affected by this request;

NOW, THEREFORE, BE IT RESOLVED, that the waiver to permit 10-year monitoring and retention periods for FHLBank of ████████ AHP rental projects pre-dating ████████ is approved, subject to the following terms and conditions:

1. For rental projects approved prior to that received total AHP subsidy of \$50,001 to \$500,000, provided that each such project is monitored at least twice during the initial 10-year period and one of the instances of monitoring occurs in the ninth or tenth year of the 10-year period; and
2. For rental projects approved prior to ████████ that received total AHP subsidy of over \$500,000, provided that each such project is rescored based upon a 10-year retention period and continues to score high enough to have been approved in the funding period in which it was originally scored and approved.

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "Bruce A. Morrison". The signature is stylized with a large, sweeping initial "B" and "M".

Bruce A. Morrison
Chairman